

LNF & IHCIF Calculations Illustration

- Stockbridge-Munsee in Bemidji area -

Given Data

- 2,282 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 96.8% = Cost index for purchasing health care in this geographic area
- 123.9% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- \$577 per person for purchased services = $20\% * 96.8\% * \$2,980$
- \$2,955 per person for in-house services = $80\% * 123.9\% * \$2,980$
- \$3,532 per person total = \$577 (purchase) + \$2,955 (in-house)
- **\$3,741 per person total** adjusted for health status = $\$3,532 * 105.9\%$
- **\$2,996 per person net cost** = $\$3,741 - \745 Other resources (M&M&PI)

Existing Expenditures (for 2,282 users excluding wrap-around and collections)

- \$856 per person = local IHS allowance (excludes \$ for wrap-around)
- \$94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,004 per person for OU users** = $\$856 + \$94 + \$54$

LNF Calculation

- **26.8% Gross LNF** = $\$1,004$ (expenditures) / $\$3,741$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **33.5% Net LNF** = $\$1,004 / \$2,996$ net cost ($\$3,741 - \745 other)

IHCIF Allocation

- \$1,811,050 = \$ to raise LNF% from 33.5% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$63,169 Allocation** = $\$1,811,050$ needed for 60% * 3.488% IHCIF fraction

Stockbridge-Munsee Unmet Needs

- **\$6,836,376 Net Total Need** = 2,282 users * \$2,996 net cost
- **\$4,545,600 Net Unmet Need** = $(100\% - 33.5\% \text{ LNF}) * 2,282 \text{ users} * \$2,996$ net cost